

BOWLIN TRAVEL CENTERS, INC.

Financial Statements

For the Quarterly Period Ended

April 30, 2023

(unaudited)

150 Louisiana, NE Albuquerque, NM 87108 (505) 266-5985

BOWLIN TRAVEL CENTERS, INC.
Condensed Balance Sheets
(in thousands, except share data)

	April 30, 2023 (Unaudited)	January 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 6,317	\$ 7,323
Marketable securities	1,202	1,202
Accounts receivable	25	9
Current maturity of note receivable	10	10
Inventories	6,500	5,748
Prepaid income taxes	51	84
Prepaid expenses	282	351
Interest receivable	6	4
Total current assets	<u>14,393</u>	<u>14,731</u>
Property and equipment, net	11,976	11,873
Operating lease right of use assets	1,102	1,019
Intangible assets, net	42	40
Note receivable, less current maturities	2	3
Investment in real estate	308	308
Total assets	<u>\$ 27,823</u>	<u>\$ 27,974</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,960	\$ 996
Current maturities of long-term debt	460	469
Accrued liabilities	832	1,974
Income taxes payable	—	10
Current operating lease liabilities	210	117
Deferred revenue	22	27
Total current liabilities	<u>3,484</u>	<u>3,593</u>
Net deferred income tax liabilities	1,016	999
Operating lease liabilities	853	864
Long-term debt, less current maturities	5,855	5,970
Total liabilities	<u>11,208</u>	<u>11,426</u>
Stockholders' equity:		
Preferred stock, \$0.001 par value; 1,000,000 shares authorized, none issued or outstanding at April 30, 2023 and January 31, 2023	—	—
Common stock, 0.001 par value; 10,000,000 shares authorized, 4,583,348 issued April 30, 2023 and January 31, 2023	5	5
Less: Treasury stock, 640,579 shares at April 30, 2023 and 639,595 shares at January 31, 2023	<u>1</u>	<u>1</u>
Common stock, 3,942,769 and 3,943,753 shares outstanding at April 30, 2023 and January 31, 2023, respectively	4	4
Additional paid in capital, net	8,814	8,819
Retained earnings	7,797	7,725
Total stockholders' equity	<u>16,615</u>	<u>16,548</u>
Total liabilities and stockholders' equity	<u>\$ 27,823</u>	<u>\$ 27,974</u>

See accompanying notes to condensed financial statements.

BOWLIN TRAVEL CENTERS, INC.
Condensed Statements of Income
(in thousands, except share and per share data)

	Three Months Ended	
	April 30, 2023	April 30, 2022
	(Unaudited)	(Unaudited)
Gross sales	\$ 9,587	\$ 10,611
Less discounts on sales	120	94
Net sales	9,467	10,517
Cost of goods sold	5,444	6,236
Gross profit	4,023	4,281
General and administrative expenses	(3,579)	(3,453)
Depreciation and amortization	(301)	(292)
Gain on sale of assets	13	6
Operating income	156	542
Other non-operating income (expense):		
Interest income	15	1
Interest expense	(67)	(75)
Rental income	7	14
Total non-operating income (expense)	(45)	(60)
Income before income tax expense	111	482
Income tax expense	(39)	(133)
Net income	\$ 72	\$ 349
Net income per share	\$ 0.02	\$ 0.09
Weighted average common shares outstanding	3,946,783	3,959,457

See accompanying notes to condensed financial statements.

BOWLIN TRAVEL CENTERS, INC.
Condensed Statements of Stockholders' Equity
(in thousands, except share data)
For the three months ended April 30, 2023
(Unaudited)

	Number of shares of Common stock outstanding	Common stock, at par	Additional paid-in capital	Retained earnings	Total
Balance at January 31, 2023	3,943,753	\$ 4	\$ 8,819	\$ 7,725	\$ 16,548
Net income	—	—	—	72	72
Purchase of treasury stock	(984)	—	(5)	—	(5)
Balance at April 30, 2023	<u>3,942,769</u>	<u>\$ 4</u>	<u>\$ 8,814</u>	<u>\$ 7,797</u>	<u>\$ 16,615</u>

See accompanying notes to condensed financial statements.

BOWLIN TRAVEL CENTERS, INC.
Condensed Statements of Cash Flows
(in thousands)

	For the Three Months Ended	
	April 30, 2023 (Unaudited)	April 30, 2022 (Unaudited)
Cash flows from operating activities:		
Net (loss) income	\$ 72	\$ 349
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	301	292
Gain on sale of assets	(13)	(6)
Deferred income taxes	17	12
Changes in operating assets and liabilities, net	(860)	(2,534)
Net cash used in operating activities	(483)	(1,887)
Cash flows from investing activities:		
Proceeds from sale of property and equipment	40	33
Purchases of property and equipment, net	(434)	(194)
Note receivable, net	1	3
Accrued interest receivable	(2)	(1)
Net cash used in investing activities	(395)	(159)
Cash flows from financing activities:		
Payments on long-term debt	(123)	(116)
Payments for finance lease obligation	—	(14)
Purchase of treasury stock	(5)	(7)
Net cash used in financing activities	(128)	(137)
Net decrease in cash and cash equivalents	(1,006)	(2,183)
Cash and cash equivalents at beginning of period	7,323	8,130
Cash and cash equivalents at end of period	\$ 6,317	\$ 5,947

See accompanying notes to condensed financial statements.

Notes to Condensed Financial Statements (Unaudited)

1. The condensed financial statements of Bowlin Travel Centers, Inc. (the "Company") as of and for the three months ended April 2023 and 2022 are unaudited and reflect all adjustments (consisting only of normal recurring adjustments) which are, in the opinion of management, necessary for a fair presentation of the financial position, operating results and cash flows for the interim periods. The interim financial statements should be read in conjunction with the audited financial statements and notes for the fiscal year ended January 31, 2023. Results of operations for interim periods are not necessarily indicative of results that may be expected for the fiscal year as a whole.
2. The Company repurchased 984 of its outstanding common shares, as treasury stock, for the three months ended April 30, 2023 at an average price per share of approximately \$5.15 for a total repurchase of \$5,068. The common shares issued and outstanding were reduced by 984 shares or \$1 (984 shares at \$0.001 per value per share), and additional paid in capital was reduced by approximately \$5,067. The reduction in shares issued and outstanding and additional paid in capital is reflected in the accompanying balance sheet.
3. Investment in real estate: On February 2, 2023, the Company sold two of the sub-divided quarter-acre residential lots of land in Alamogordo, New Mexico. The lots sold for \$49,800, the carrying value was \$25,349 and the selling costs were \$9,389. The gain on the sale of the lots was \$15,062.
4. Subsequent event. On May 3, 2023, the Company entered into an agreement to purchase real estate located in Pinal County, Arizona for \$50,000. The property closed on June 2, 2023.

The OTC Markets Disclosure Statement can be seen at <https://www.otcmarkets.com/stock/BWTL/disclosure>.